

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
OF MUHLENBERG COUNTY WATER)	CASE NO. 96-439
DISTRICT NO. 3)	

O R D E R

On September 29, 1996, Muhlenberg County Water District No. 3 ("Muhlenberg County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Muhlenberg County purchases water from the City of Central City ("Central City").
2. Effective September 9, 1996, Central City increased its rates for wholesale water from \$1.0094 per 1,000 gallons to \$1.15 per 1,000 gallons.
3. Muhlenberg County proposed to increase the rates to its customers effective September 9, 1996.
4. During the 12 months ending July 31, 1996, Muhlenberg County purchased 221,607,800 gallons of water from Central City. During that same period of time, Muhlenberg County sold 185,900,600 gallons of water.

5. Muhlenberg County's purchased water adjustment calculations show an increase in purchased water cost of \$31,158.06, resulting in a purchased water adjustment of 17 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Muhlenberg County customers would increase from \$21.81 to \$22.66, an increase of 3.9 percent.

6. The purchased water adjustment of 17 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. Muhlenberg County's proposed tariff is correct and should be approved.

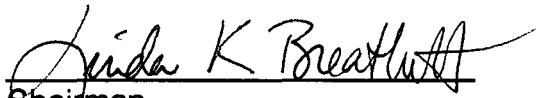
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 17 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after September 9, 1996.

2. Muhlenberg County's proposed tariff is approved.

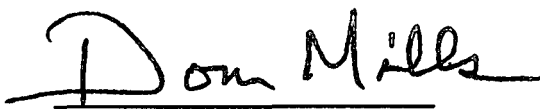
Done at Frankfort, Kentucky, this 9th day of October, 1996.

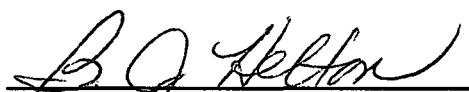
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-439 DATED OCTOBER 9, 1996

The following rates and charges are prescribed for the customers in the area served by Muhlenberg County Water District No. 3. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

Residential/Commercial

First	2,000	Gallons	\$11.17	Minimum Bill
Next	8,000	Gallons	3.83	Per 1,000 Gallons
Next	10,000	Gallons	3.23	Per 1,000 Gallons
Next	30,000	Gallons	2.53	Per 1,000 Gallons
All Over	50,000	Gallons	1.98	Per 1,000 Gallons

Resale/City of Sacramento

All	\$ 1.98	Per 1,000 Gallons
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